

AMENDMENT OFFERED BY MR. PALLONE, MS. ESHOO, AND MS. FURSE
TO THE CHILD HEALTH RECONCILIATION PROVISIONS

Strike the entire test and insert the following:

1 Subtitle F-Child Health Insurance
2 Initiative Act of 1997

3 SEC. 3500. SHORT TITLE OF SUBTITLE.

4 This subtitle may be cited as the “Child Health In-
5 surance Initiative Act of 1997”.

6 CHAPTER 1 -IMPROVED OUTREACH

7 SEC. 3501. GRANT PROGRAM TO PROMOTE OUTREACH EF-
8 FORTS.

9 (a) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated, for each fiscal year be-
11 ginning with fiscal year **19 98** to the Secretary of Health
12 and Human Services, \$25,000,000 for grants to States,
13 localities, and nonprofit entities to promote outreach ef-
14 forts to enroll eligible children under the **medicaid pro-**
15 gram under title **XIX** of the Social Security Act (42
16 U.S.C. 1396 et seq.) and related programs.

17 (b) USE OF FUNDS.—Funds under this section may
18 be used to reimburse States, localities, and nonprofit enti-
19 ties for additional training and administrative costs associ-

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1 ated with outreach activities. Such activities include the
2 following:

3 (1) USE OF A COMMON APPLICATION FORM FOR
4 FEDERAL CHILD ASSISTANCE PROGRAMS.—Imple-
5 menting use of a single application form (established
6 by the Secretary and based on the model application
7 forms developed under subsections (a) and (b) of
8 section 6506 of the Omnibus Budget Reconciliation
9 Act of 1989 (42 U.S.C. 701 note; 1396a note)) to
10 determine the eligibility of a child or the child's fam-
11 ily (as applicable) for assistance or benefits under
12 the medicaid program and under other Federal child
13 assistance programs (such as the temporary assist-
14 ance for needy families program under part A of
15 title IV of the Social Security Act (42 U.S.C. 601
16 et seq.), the food stamp program, as defined in sec-
17 tion 3(h) of the Food Stamp Act of 1977 (7 U.S.C.
18 20 12 (h)), and the State program for foster care
19 maintenance payments and adoption assistance pay-
20 ments under part E of title IV of the Social Security
21 Act (42 U.S.C. 670 et seq.)).

22 (2) EXPANDING OUTSTATIONING OF ELIGI-
23 BILITY PERSONNEL.—Providing for the stationing of
24 eligibility workers at sites, such as hospitals and

1 health clinics, at which children receive health care
2 or related services.

3 (c) APPLICATION, ETC.—Funding shall be made
4 available under this section only upon the approval of an
5 application by a State, locality, or nonprofit entity for such
6 funding and only upon such terms and conditions as the
7 Secretary specifies.

8 (d) ADMINISTRATION.—The Secretary may admin-
9 ister the grant program under this section through the
10 identifiable administrative unit designated under section
11 509(a) of the Social Security Act (42 U.S.C. 709(a)) to
12 promote coordination of medicaid and maternal and child
13 health activities and other child health related activities.

14 **CHAPTER 2-STRENGTHENING MEDICAID**
15 **PROGRAM**

16 **SEC. 3321. STATE OPTION OF CONTINUOUS ELIGIBILITY**
17 **FOR 12 MONTHS FOR CHILDREN UNDER THE**
18 **MEDICAID PROGRAM.**

19 (a) IN GENERAL.—Section 1902(e) of the Social Se-
20 curity Act (42 U.S.C. 1396a(e)) is amended by adding at
21 the end the following new paragraph:

22 “(12) At the option of the State, the plan may pro-
23 vide that an individual who is under an age specified by
24 the State (not to exceed 19 years of age) and who is deter-
25 mined to be eligible for benefits under a State plan ap-

1 proved under this title under subsection (i)(10)(A) shall
2 remain eligible for those benefits until the earlier of—

3 “(A) the end of a period (not to exceed 12
4 months) following the determination: or

5 “(B) the time that the individual reaches that
6 age.”.

7 (b) **EFFECTIVE DATE.**—The amendment made by
8 subsection (a) applies to medical assistance for items and
9 services furnished on or after January 1, 1998.

10 **SEC. 3522. CLARIFICATION OF STATE OPTION TO COVER**
11 **ALL CHILDREN UNDER 19 YEARS OF AGE.**

12 Effective upon the date of the enactment of this Act,
13 section 1902 (1) (1) (D) of the Social Security Act (42
14 U.S.C. 1396a(l)(1)(D)) is amended by inserting “(or, at
15 the option of a State, after any earlier date)” after “chil-
16 dren born after September 30, 1983”.

17 **CHAPTER 3-MEDIKIDS PROGRAM**

18 **SEC. 3531. STATE ENTITLEMENT TO PAYMENT FOR**
19 **MEDIKIDS PROGRAM.**

20 (a) **IN GENERAL.**—Each State that has a plan for
21 a child health insurance program, or **MediKids** program,
22 approved by the Secretary is entitled to receive, from
23 amounts in the Treasury not otherwise appropriated and
24 for each fiscal year beginning with fiscal year 1998, pay-
25 ment of the amounts provided under section 3533.

1 (b) APPLICATION.—The Secretary shall establish a
2 procedure for the submittal and approval of plans for
3 MediKids programs under this chapter. The Secretary
4 shall approve the plan of a State for such a program if
5 the Secretary determines that—

6 (1) the State is meeting the medicaid coverage
7 requirements of section 3532(a), and

8 (2) the plan provides assurances satisfactory to
9 the Secretary that the MediKids program will be
10 conducted consistent with the applicable require-
11 ments of section 3532.

12 **SEC. 3532. REQUIREMENTS FOR APPROVAL OF MEDIKIDS**
13 **PROGRAM.**

14 (a) ADEQUATE MEDICAID COVERAGE.—The medic-
15 aid coverage requirements of this subsection are the fol-
16 lowing:

17 (1) COVERAGE OF PREGNANT WOMEN AND
18 CHILDREN AND INFANTS UP TO 185 PERCENT OF
19 POVERTY.—The State has established 185 percent of
20 the poverty line as the applicable percentage under
21 section 1902(1)(2)(A) of the Social Security Act (42
22 U.S.C. 1396a(1)(2)(A)).

23 (2) COVERAGE OF CHILDREN UP TO 19 YEARS
24 OF AGE.—The State provides, either through exer-
25 cise of the option under section 1902(l)(1)(D) of

1 such Act (42 U.S.C. 1396a(l)(1)(D)) or authority
2 under section 1902(r)(2) of such Act (42 U.S.C.
3 1396a(r)(2)) for coverage under section
4 1902(l)(1)(D) of such Act of individuals under 19
5 years of age, regardless of date of birth.

6 (3) MAINTENANCE OF EFFORT.-

7 (A) MEDICAID.—Subject to subparagraph

8 (B), the State-

9 (i) has not modified the eligibility re-
10 quirements for children under the State
11 medicaid plan, as in effect on January 1,
12 1997 in any manner that would have the
13 effect of reducing the eligibility of children
14 for coverage under such plan, and

15 (ii) will use the funds provided under
16 this chapter to supplement and not sup-
17 plant other Federal and State funds.

18 (B) WAIVER EXCEPTION.-Subparagraph

19 (A) shall not apply to modifications made pur-
20 suant to an application for a waiver under sec-
21 tion 1115 of the Social Security Act (42 U.S.C.
22 1315) submitted before January 1, 1997.

23 (b) COVERAGE OF UNINSURED CHILDREN.-

24 (1) IN GENERAL.-A MediKids program shall
25 not provide benefits for children who are otherwise

covered for such benefits under a medicaid plan or under a group health plan, health insurance coverage, or other health benefits coverage, but may expend funds for outreach and other activities in order to promote coverage under such plans.

(2) CONSTRUCTION.-Nothing in this subsection shall be construed as requiring a MediKids plan of a State to provide coverage for all near poverty level children described in paragraph (1) who are residing in the State.

(c) MEDICAID-EQUIVALENT BENEFITS.-

(1) IN GENERAL.-Subject to subsection (d), a MediKids program shall provide benefits to eligible children for the equivalent items and services for which medical assistance is available (other than cost sharing) to children under the State's medicaid plan.

(2) CONSTRUCTION.-Nothing in this subsection shall be construed as limiting the method under which a MediKids plan may provide benefits, including through purchase of health insurance coverage, direct payment for covered services, or otherwise.

(d) PREMIUMS AND COST-SHARING.-A MediKids program may—

1 (1) require the payment of premiums as a con-
2 dition for coverage, but only for a covered child
3 whose family income exceeds the poverty line:

4 (2) impose deductibles, coinsurance, copay-
5 ments, and other forms of cost-sharing with respect
6 to benefits under the program; and

7 (3) vary the levels of premiums, deductibles, co-
8 insurance, copayments, and other cost-sharing based
9 on a sliding scale related to the family income of the
10 covered child.

11 **SEC. 3533. PAYMENT AMOUNTS.**

12 (a) **TOTAL AMOUNT AVAILABLE.**—The total amount
13 of funds that is available for payments under this chapter
14 in any fiscal year is \$2,000,000,000.

15 (b) **ALLOTMENT AMONG STATES.**—

16 (1) **IN GENERAL.**—The Secretary shall establish
17 a formula for the allotment of the total amount of
18 funds available under subsection (a) among the
19 qualifying States for each fiscal year.

20 (2) **BASIS.**—The formula shall be based upon
21 the Secretary's estimate of the number of near pov-
22 erty level children in the State as a proportion of the
23 total of such numbers for all the qualifying States.

24 (3) **CARRYFORWARD.**—If the Secretary does not
25 pay to a State under subsection (c) in a fiscal year

1 the amount of its allotment in that fiscal year under
2 this subsection, the amount of its allotment under
3 this subsection for the succeeding fiscal year shall be
4 increased by the amount of such shortfall.

5 (c) PAYMENTS.—

6 (1) IN GENERAL.—From the allotment of each
7 qualifying State under subsection (b) for a fiscal
8 year, the Secretary shall pay to the State for each
9 quarter in the fiscal year an amount equal to 75
10 percent of the total amount expended during such
11 quarter to carry out the State's MediKids program.

12 (2) NOT COUNTING COST SHARING.—For pur-
13 poses of paragraph (1), if a MediKids program im-
14 poses premiums for coverage or requires payment of
15 deductibles, coinsurance, copayments, or other cost
16 sharing, under rules of the Secretary, expenditures
17 attributable to such premiums or cost sharing shall
18 not be taken into account under paragraph (1).

19 (d) STATE ENTITLEMENT. - This chapter constitutes
20 budget authority in advance of appropriations Acts, and
21 represents the obligation of the Federal Government to
22 provide for the payment to qualifying States of amounts
23 provided under this section.

24 SEC. 3539. DEFINITIONS.

25 For purposes of this chapter:

1 (1) The term “child” means an individual
2 under 19 years of age.

3 (2) The term “medicaid plan” means the plan
4 of medical assistance of a State under title XIX of
5 the Social Security Act.

6 (3) The term “MediKids program” means a
7 child health insurance program of a State under this
8 title.

9 (4) The term “near poverty level child” means
10 a child the family income of which (as defined by the
11 Secretary) is at least 100 percent, but less than 300
12 percent, of the poverty line.

13 (5) The term “poverty line” has the meaning
14 given such term in section 673(2) of the Community
15 Services Block Grant Act (42 U.S.C. 9902(2)), in-
16 cluding any revision required by such section.

17 (6) The term “qualifying State” means a State
18 with a MediKids program for which a plan is sub-
19 mitted and approved under this title.

20 (7) The term “Secretary” means the Secretary
31 of Health and Human Services .

22 (8) The term “State” means the 50 States, the
23 District of Columbia, Puerto Rico, the Virgin Is-
24 lands, Guam, American Samoa, and the Northern
25 Mariana Islands.

1 **CHAPTER 4-ASSURING CHILDREN'S**
2 **ACCESS TO HEALTH INSURANCE**

3 **SEC. 3441. GUARANTEED AVAILABILITY OF INDIVIDUAL**
4 **HEALTH INSURANCE COVERAGE TO UNIN-**
5 **SURED CHILDREN.**

6 (a) **IN GENERAL.**—Title XXVII of the Public Health
7 Service Act, as added by section 111(a) of the Health In-
8 surance Portability and Accountability Act of 1996, is
9 amended by inserting after section 2741 the following new
10 section:

11 **“SEC. 2741A. GUARANTEED AVAILABILITY OF INDIVIDUAL**
12 **HEALTH INSURANCE COVERAGE TO UNIN-**
13 **SURED CHILDREN.**

14 “(a) **GUARANTEED AVAILABILITY.**—

15 “(1) **IN GENERAL.**—Subject to the succeeding
16 subsections of this section, each health insurance is-
17 suer that offers health insurance coverage (as de-
18 fined in section 2791(b)(1)) in the individual market
19 in a State, in the case of an eligible child (as defined
20 in subsection (b)) desiring to enroll in individual
21 health insurance coverage—

22 “(A) may not decline to offer such cov-
23 erage to, or deny enrollment of, such child;

24 “(B) either (i) does not impose any pre-
25 existing condition exclusion (as defined in sec-

1 tion 2701(b)(1)(A)) with respect to such cov-
2 erage, or (ii) imposes such a preexisting condi-
3 tion exclusion only to the extent such an exclu-
4 sion may be imposed under section 2701(a) in
5 the case of an individual who is not a late en-
6 rollee; and

7 “(C) shah provide that the premium for
8 the coverage is determined in a manner so that
9 the ratio of the premium for such eligible chil-
10 dren to the premium for eligible individuals de-
11 scribed in section 2741(b) does not exceed the
12 ratio of the actuarial value of such coverage
13 (calculated based on a standardized population
14 and a set of standardized utilization and cost
15 factors) for children to such actuarial value for
16 such coverage for such eligible individuals.

17 “(2) **SUBSTITUTION BY STATE OF ACCEPTABLE**
18 **ALTERNATIVE MECHANISM.** - The requirement of
19 paragraph (1) shall not apply to health insurance
20 coverage offered in the individual market in a State
21 in which the State is implementing an acceptable al-
22 ternative mechanism under section 2744.

23 “(b) **ELIGIBLE CHILD DEFINED.**—In this part, the
24 term ‘eligible child’ means an individual born after Sep-

1 tember 30, 1983, who has not attained 19 years of age
2 and—

3 “(1) who is a citizen or national of the United
4 States, an alien lawfully admitted for permanent res-
5 idence, or an alien otherwise permanently residing in,
6 the United States under color of law;

7 “(2) who is not eligible for coverage under (A)
8 a group health plan, **(B)** part A or part B of title
9 XVIII of the Social Security Act, or (C) a State plan
10 under title XIX of such Act (or any successor pro-
11 gram), and does not have other health insurance
12 coverage; and

13 “(3) with respect to whom the most recent cov-
14 erage (if any, within the 1-year period ending on the
15 date coverage is sought under this section) was not
16 terminated based on a factor described in paragraph
17 (1) or (2) of section 2712 (b) (relating to nonpay-
18 ment of premiums or fraud).

19 For purposes of paragraph (2) (A), the term ‘group health
20 plan’ does not include COBRA continuation coverage.

21 “ **(c) INCORPORATION OF CERTAIN PROVISIONS.—**

22 “(1) **IN GENERAL.**—Subject to paragraph (2),
23 the provisions of subsections (c), (d), (e) and (f)
24 (other than paragraph (1)) of section 2741 and sec-
25 tion 2744 shall apply in relation to eligible children

1 under subsection (a) in the same manner as they
2 apply in relation to eligible individuals under section
3 2741(a).

4 “(2) SPECIAL RULES FOR ACCEPTABLE ALTER-
5 NATIVE MECHANISMS. With respect to applying
6 section 2744 under paragraph (1)—

7 “(A) the requirement in subsection
8 (a)(1)(B) shall be applied instead of the re-
9 quirement of section 2744(a)(1)(B);

10 “(B) the requirement in subsection
11 (a)(1)(C) shall be applied instead of the re-
12 quirement of section 2744(a)(1)(D); and

13 “(C) any deadline specified in such section
14 shall be 1 year after the deadline otherwise
15 specified.”.

16 (b) EFFECTIVE DATE. -The amendment made by
17 subsection (a) shall take apply 1 year after the effective
18 date for section 2741 of the Public Health Service Act
19 (as provided under section 111(b)(1) of the Health Insur-
20 ance Portability and Accountability Act of 1996).

21 CHAPTER 5—APPROPRIATION FOR DATA

22 SEC. 3551. AUTHORIZATION OF APPROPRIATIONS.

23 In addition to any other amounts authorized to be
24 appropriated, there are authorized to be appropriated
25 \$5,000,000 for the Bureau of the Census to refine the

1 data on children in families with family incomes below 300
2 percent of the applicable Federal poverty level in each
3 State.